DoD
PACKAGING PILOT PROGRAM
Status Update

Pilot Program Consulting Group

7 April 2000

Background

- **OSD directs pilot implementation**
  - GEAE Evendale, Lynn / GEES Strother, Ontario, Cincinnati
  - Honeywell Phoenix / Tempe/Tucson
- **Formal OSD Pilot Program Consulting Group Oversight**
  - Oversight, Metrics, Lessons Learned & Reporting
- **Pilot Program executed by Block Change modifications**
  - All existing contracts and orders at participating facilities
  - Prime contractors enable GE/AS to utilize commercial packaging arrangements on all subcontracts
- **Rapid Improvement Team Deployment**
  - Guideline Development and Scorecard

GEAE and Honeywell Metrics

- Quantitative metrics show positive trends
  - Cost Reductions/Savings are occurring
  - Cycle Time is being reduced
  - No warranty returns due to packaging problems
  - Insufficient data to date for statistical inferences
- Innovations are being implemented
- Anecdotal information positive

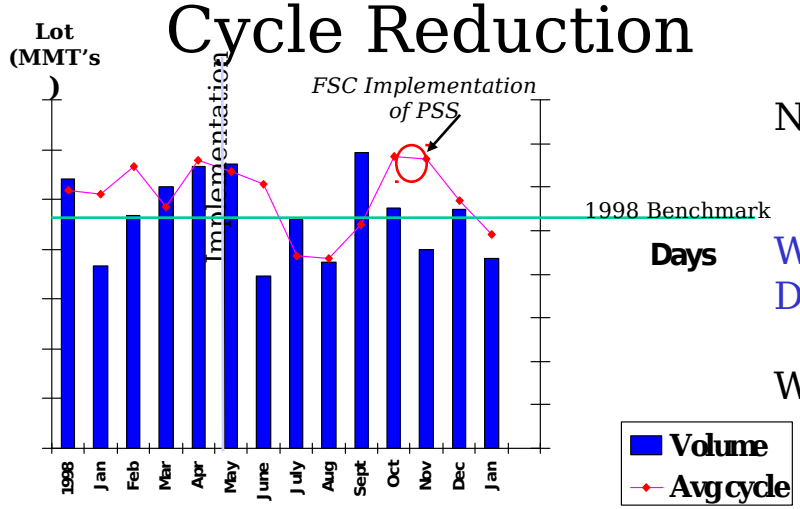
New Honeywell Sites Being Added

- Aerospace Electronic Systems
  - Boyne City, Michigan
  - Aircraft Instruments
  - Implementation: 1 May 2000
- Engine Systems and Accessories
  - Rocky Mount, NC
  - Hydromechanical Controls
  - Implementation: 1 May 2000

Back Up Slides

GE Aircraft Engines

Cycle Reduction



Quality

Number of Reports of Discrepancy (RoD's) since implementation (5/3/99) -- 7

Wrong Quantity in a unit pack -- 4

Discrepant Label -- 3

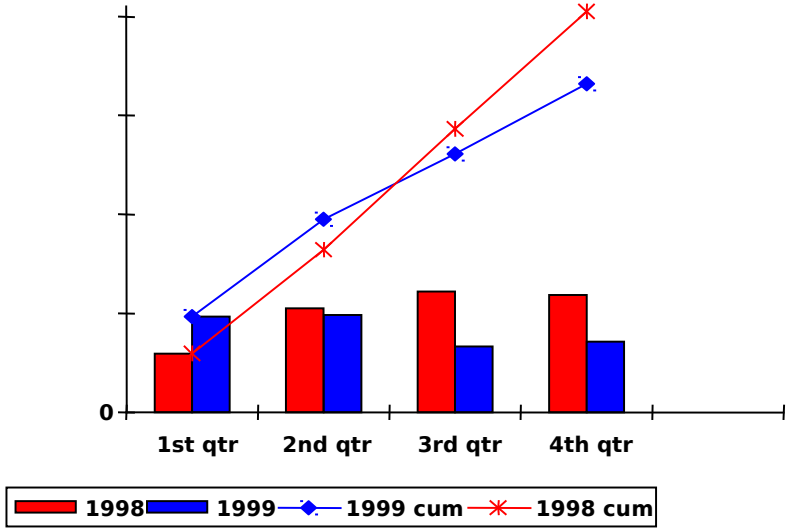
Warranty Returns -- 0

Zero Container Failures

Packaging Innovations

- Three reports submitted
  - Blades in bags
  - No metal caps
  - Source packaging
  - Fiberboard container edge crush test criteria
- Increased Automation
- Rationalized fiberboard across GEAE sites
- Developing a Foam in Place Replacement--Plastics Reduction

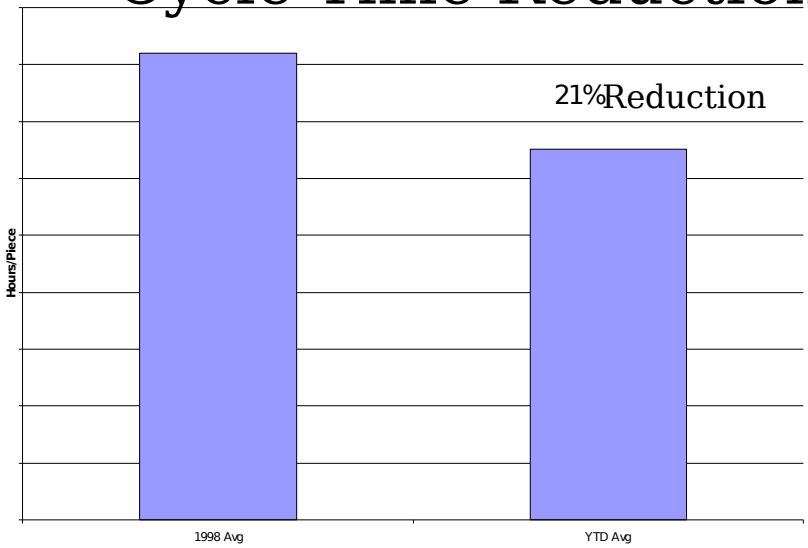
Packaging Material Costs



Honeywell

Military Packaging Pilot Stat

Cycle Time Reduction



Quality

	12 Mo.	YTD.
Number of Pieces Shipped		412K
Number of Warranty Returns	2	0
Percentage of Warranty Returns	0%	0%

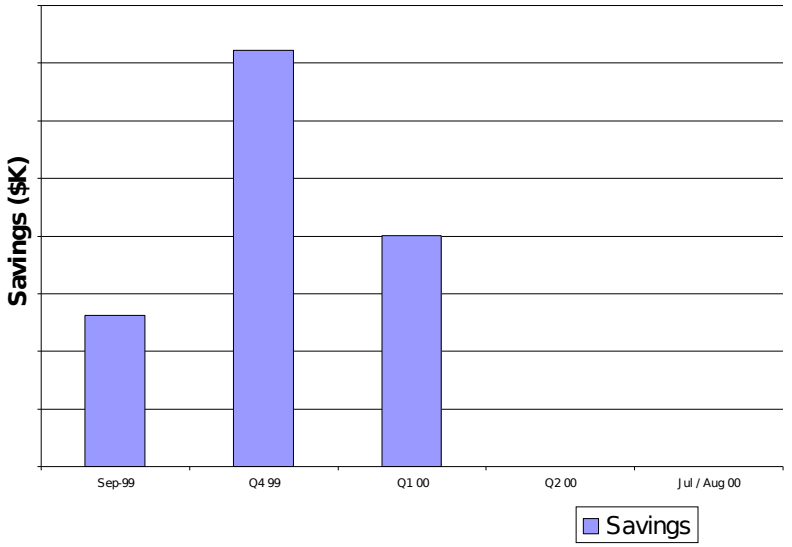
Currently monitoring warranty to detect any packaging related discrepancies

Zero Packaging Deficiencies since Pilot Implemented

ackaging Innovations Underway

Innovation	Status
• Foamed cavity insert	On order
• Eliminating anti-static bags where not needed	Implemented
• Eliminated intermediate set up cartons	In Process
• Reduced wrapping	In Review
• Eliminated humidity indicator	No Savings
• Eliminated daily heat seal test (do quarterly)	

Packaging Material Savings



What Do You Think of the Pilot Program?

- Contractor Comments:
  - *"Process, material and equipment groups are all participating."*
  - *"Shipping folks are taking immediate action and are now empowered."*
  - *"Has acted as a catalyst for areas other than packaging."*
  - *"New ideas are pushing the envelope."*
  - *"The packaging suppliers have been challenged."*
- DCMC Comments:
  - *"Working very well."*
  - *"More rapid and open communication; routine meetings are now the norm."*

Pilot Contractor as a Subcontractor

Flow Up of Commercial Packaging Practices

Existing subcontracts. Where [*pilot contractor*] is a subcontractor and the subcontract specifies packaging in accordance with a version of Mil-Std-2073 or any standard other than the contractor's commercial packaging practices, DCMC shall notify the prime contractor that [*pilot contractor*] is participating in a Pilot Program and is authorized to package items using its standard commercial packaging methods. The DoD buying activity shall modify the prime contract, if necessary, to allow [*pilot contractor*] to use its commercial packaging practices in performance of its subcontract

Proposed Pilot Program Expansion

- Current Pilot is “engine” focused
  - Minimal data to date
  - Provides little insight into other commodities
  - Data gathered to date insufficient to support any macro policy decisions
- Proposed Pilot Expansion
  - Broaden Pilot to include other Sectors within the two contractors’ business base.
  - Use existing two commercial POCs as liaison
  - Apply Packaging Scorecard and Metrics review process
  - Utilize existing packaging IPT for technical coordination
  - Identify and implement expansion during 2nd & 3rd quarter FY00
  - Gather objective data to support policy development

Expansion Candidates
(Initial Candidate List)

- AM General Corp South Bend, IN
- B.F. Goodrich Landing Gear Cleveland, OH
- Bell Helicopter Textron Ft. Worth, TX
- Boeing Aircraft and Missile Philadelphia, PA
- Boeing Aircraft and Missile Wichita, KS
- L-3 Communications East Camden, NJ
- Lockheed Martin Astronautics Denver, CO
- Lockheed Martin Vought Systems Dallas, TX
- Northrop Grumman St. Augustine, FL
- Raytheon Missile Systems Tucson, AZ
- Raytheon Systems Ft. Wayne, IN
- Rockwell Collins Cedar Rapids, IA
- Sikorsky Aircraft Stratford, CT
- Sundstrand San Diego, CA